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## BOOK REVIEWS.

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*Lectures on Justice, Police, Revenue, and Arms, delivered in the University of Glasgow.* By ADAM SMITH. Reported by a student in 1763. Edited, with introduction and notes, by EDWIN CANNAN. Oxford: Clarendon Press, 1896. 8vo. pp. xxxix + 293.

THE discovery and publication (August 1896) of these lectures of Adam Smith are an event of considerable historical and literary, scientific and philosophical significance. The MS., bound in calf, was discovered by Mr. Charles C. Maconochie, advocate, Edinburgh, Scotland, in a lumber room at Meadowbank (an estate possessed by his ancestors—lawyers of eminence in Scotland), in 1876. It seems to have been bought in 1811 by a J. H. Maconochie for the sum of one shilling and twopence, manuscript copies of a popular professor's lectures, transcribed from students' notebooks, being in those days often kept for sale in the booksellers' shops. Mr. Cannan (now well known to the public as a writer on and student of economic theory) made the acquaintance of Mr. Maconochie in Oxford, and in the course of conversation the name of Adam Smith was mentioned. Mr. Maconochie thereupon immediately said that he possessed a manuscript report of Adam Smith's lectures on jurisprudence, which he regarded as of considerable interest. One can imagine what this statement must have meant to such a broad student and critic of the great economist as Mr. Cannan. Possibly these so-called lectures on jurisprudence might prove to contain the subject-matter of Adam Smith's promised work on *Justice* and the effects of the arts and law and government on the progress of society—the third division of the well-known fourfold scheme under which Adam Smith, when a professor in Glasgow University, treated of the subject of "moral philosophy." Adam Smith had promised such a work to the world in an oft-quoted passage towards the close of the *Theory of Moral Sentiments*, but did not live to make good his promise, even insisting, a few days before his death, upon the destruction, without any examination, of all his manuscripts except that of the *Wealth of Nations*.

The MS. in question is now before the world in a valuable setting constructed by the loving and discriminating care of Mr. Cannan. In point of fact, it does contain the basis of the promised work on *Justice*, and something more—something of an almost equal interest—the basis of the *Wealth of Nations*, to some extent worked out (probably about 1762-3) before Adam Smith went to France and made the acquaintance of prominent members of the physiocratic school. From it we gain valuable information on the following important points: Adam Smith's general philosophy of the state or society and its relation to economic well-being, the actual growth of the *Wealth of Nations* itself in the light of Adam Smith's own mental development as affected by his predecessors in England and his predecessors and contemporaries in Europe, and the extent to which Adam Smith was or was not indebted to the physiocrats in particular. About all these three points there has been much intellectual warfare and taking of sides, much conjecture, much rash, dogmatic statement, much misunderstanding, much ignorance. With this manuscript before us and such recent work upon Adam Smith as is to be found in Mr. Cannan's *Theories of Production and Distribution in English Political Economy*,<sup>1</sup> and Bonar's *Catalogue of Adam Smith's Library*, and the classical statements of Dugald Stewart in the *Transactions of the Royal Society of Edinburgh*, we have now all the data we shall probably ever have and probably really require for making out complete estimates of the intellectual work of Adam Smith, who stands now—after this, as before it, and always—in impressive proportions before the world as the world's greatest economist, as the man (comparable in this respect to Kant in philosophy) whose work, with the investigation and discussion it has entailed and the vistas backwards and forwards it opens up, constitutes today and always will constitute the actual subject-matter of the science of political economy. One can see that Mr. Cannan's own attitude to Adam Smith has gained in depth and breadth since the publication of his *Theories* etc., and cannot but at the same time admire the way in which he keeps within limits his enthusiasm for the master. In every way—so far as editing with fidelity, completeness and exactitude, and elucidation, and comment and aids to the student, and all other details and points of view are concerned—he has done his work admirably. This is only saying that it is worthy of Oxford and the Clarendon Press.

<sup>1</sup> London, 1893. Reviewed in this JOURNAL, December 1893.

It is needless to raise here minute questions about the value of a copyist's copy of a student's report of a professor's lectures, and about the loyalty to science being—after a hundred years—necessarily greater than piety to a great man's last requests about the destruction of his manuscripts. Mr. Cannan, after investigation, considers that the present MS. is a fair copy, and that, from the paper and the text itself, the lectures were not delivered later than 1773, and consequently, since Adam Smith resigned his professorship in 1764, some time about 1762 or 1763. The reception accorded, after scrutiny, by scholars to Mr. Cannan's work is almost conclusive proof of the genuineness and value of the *Lectures*.

The matter of the lectures consists of an introduction and five parts. The introduction contains two short sections. The first contains a definition of jurisprudence and mentions those "systems of note" upon this subject which a scholar like Adam Smith could not but mention before proceeding to expound to students his own "system" or systematic teaching. The second divides "jurisprudence" ("the theory of the general principles of law and government") into a consideration of the five things, Justice, Police, Revenue, Arms, the Laws of Nations. These five things must be thought of in connection with the account of Adam Smith's lectures which Dugald Stewart heard from John Millar, and which is repeated in nearly all histories of political economy of any pretensions to fullness of treatment. As even Ingram reminds us, "The teaching of political economy was in the Scottish universities associated with that of moral philosophy." Adam Smith conceived the entire subject he was supposed to lecture upon as divisible into four heads, the first of which was natural theology, the second ethics, the third jurisprudence, and the fourth those "political regulations which are founded not upon the principle of justice, but that of expediency"—this last division developing in his hands out of the lecture form into the *Wealth of Nations*, the subject-matter of which is now called *political economy*. The third and fourth divisions of his subject were regarded by Adam Smith as constituting one single body of doctrine, the "theory of the principles of law and government." In the present volume of lectures before us, we have, then, what Adam Smith taught his students on this single body of doctrine (comprising, to be specific, what we now call political economy, and what is now called, in the strict sense, jurisprudence). And the first remark to be made about it is that it gives us additional proof of

the absurdity and inaccuracy of regarding Adam Smith as in any sense of the word a dogmatist—a man who laid down without reflection or criticism a set of propositions about the economic development of mankind, or about economic science as the theory of that development. Adam Smith was both a philosopher and a scientific investigator and teacher. In the sense of having a comprehensive view of the whole of human knowledge and practice, and of being conscious of the relation of all departments of knowledge and practice to this whole, he is as much a philosopher as was Aristotle or Bacon. He did not, like Herbert Spencer, when a young man, outline for himself a certain number of volumes or treatises on the different manifestations of the laws that govern all (human) evolution. He had no one mere formula—as some willfully ignorant writers and teachers suppose—for all social and economic and moral well-being. He had in his thought a firm hold of the organic relation existing between cosmic law (or the law of God), the laws of nations, moral law, economic law, and the law of civilization or historical progress; and like Kant or Leibnitz he wrote and published in accordance with the necessities of the evolution of his own mind and his growing knowledge of the world and of humanity. To be sure his capital achievement is still to have suggested and partially worked out the application of a few fundamental laws or principles to the economic or business life of men and communities, but the range of the operation of economic law was in his own mind firmly associated with, and consequently modified by, the operation of still broader law—the evolution of the principle of Justice in human affairs. Already from the reported scheme of Adam Smith's lectures upon "moral philosophy" and from the hints in the *Moral Sentiments* and the *Wealth of Nations* did we know this, but we have in Mr. Cannan's volume an outline of this very philosophy of Justice which enables us, better than anything else, to systematize his whole intellectual work.

A word, however, on what we herein learn about the development of Adam Smith's teaching on political economy. The results alone will be stated, and these largely as Mr. Cannan has made them apparent. The political-economy sections of the lectures are those on Police, Revenue, and Arms. The whole philosophy of prices and values and good and bad money, and consequently of exchange, seemed to Adam Smith (about 1750) to fall under the heading Police, "since the regulation of prices and the creation of money

by the state both came under the head of police, as the word was understood in his time." Year by year, however, this mere regulation and constitution of prices and values passed, in his mind, into the broader question of what constitutes opulence or wealth. His lectures on this subject, consequently, began to assume the form that is before us, a form that easily lends itself to an instructive comparison with the subject-matter of the *Wealth of Nations*. Both the *Lectures* and the *Wealth of Nations* contain sections on the division of labor, money, prices, stock lent at interest, the progress of opulence in different nations, the mercantile system, *revenue, arms*, and the subject matter of these sections may roughly be said to correspond. *There is no trace, however, in the Lectures of the Wealth of Nations sections on the physiocrats, on wages, on profits, on rent; no trace in general of the scheme of distribution set forth in the Wealth of Nations.* Capital is not noticed in the *Lectures*, nor the "nature and employment of stock;" nor is there any mention of that most fundamental distinction of the *Wealth of Nations* between productive and unproductive labor.

When Adam Smith went to France, he made the acquaintance of the physiocrats with whom he doubtless discussed very fully the *Tableau Economique* of Quesnay, that fanciful, elaborate table with its idea of three sorts of expenses and their advances and distributions and effects. From it he seems to have acquired a more or less definite conception of labor set in motion by a particular kind of expenditure, and producing an annual produce which is distributed into several large categories. Hence the origin of Book II of the *Wealth of Nations*, "Of the Nature, Accumulation and Employment of Stock." And now comes the real point. If Adam Smith had thoroughly worked out the idea of labor being set in motion by the laying out of capital, and of production as logically determined by distribution, he would doubtless, as Mr. Cannan points out, have placed the matter of Book II (*Wealth of Nations*) before Book I, especially, too, in view of the fact of the mention of *distribution* in the title of Book I. But he did not thoroughly work out the subject of distribution. He came by the idea of the necessity of a scheme of distribution from the physiocrats, but his own philosophy of the production of wealth was already too far worked out to be altogether changed even by an important new idea. He seems to have thought that his own theory of prices and wages and profit and rent made a "very good theory of what the physiocrats called 'distribution,'" and thus been led to affix the present title of the *Wealth of*

*Nations* and to *interpolate* the passage about the whole produce being parcelled out and distributed as wages, profit, and rent. That is, the matter presented in the *Lectures* represents the portions of the *Wealth of Nations* that Adam Smith had already worked out before he went to France. He did get the idea of a philosophy of distribution from the physiocrats, but his own ideas on production and the division of labor and so on, were developed too far to be substantially changed. Mr. Cannan, in his previous book, did certainly a great service in pointing out the logical inconsistencies in the *Wealth of Nations*, in particular the weak way in which the subject of distribution (which we are led to expect to see discussed in a fundamental manner) is treated of—merely interpolated, as it were, and presented as an offshoot of production. But the present *Lectures* show that Adam Smith, in virtue of his own native genius, working independently and almost unmethodically, in the “empirical” way that is the wont of “British philosophers,” and with only the general loose philosophy of Mercantilism and possibly the work of Hutcheson (a predecessor in the Glasgow chair) as a starting point in economic philosophy, had already worked out substantially the greater part of the *Wealth of Nations* before he went to France. What he learned in France made him add some things to the notes he had for his great book, but did not make him substantially change that book. And so we need no longer exaggerate Adam Smith’s indebtedness to the physiocrats, despite Dupont de Nemours and Thorold Rogers and others, and despite the whole tribe of systematizers and interpreters in political economy, the whole tribe of writers who disparage the whole work of British economists by glibly remarking, out of a superficial acquaintance with the history of human thought, that Adam Smith’s whole doctrine of free enterprise and the natural creation and increase of wealth is simply the *laissez-faire*, “state of nature” philosophy of French eighteenth-century writers. Mr. Cannan concludes that if the “parallel” passages in the *Wealth of Nations* and the *Reflections* of Turgot were to be regarded as proving anything, they would prove that Turgot borrowed from Adam Smith, rather than Adam Smith from Turgot. In other words, we now know and can distinguish clearly from each other the British and the French influences that affected Adam Smith in the composition of the *Wealth of Nations*. And we can select almost with sureness portions of that work which show the growth of Adam Smith’s own mind and consequently the gradual formation of his teaching. Knowing all these things and the diffi-

culty of systematizing in any way such a vast amount of knowledge or semi-science as presented itself to Adam Smith's mind, we should surely refrain from all mere surface criticism of the results he gave to the world. Perhaps Mr. Cannan himself would not have been in his former book so captious in seeking to involve Adam Smith in verbal and logical difficulties, had he had the manuscript, of which he is justly so proud, before him. For the thorough study of this manuscript and of all the questions relevant thereto, he deserves nothing but the highest praise.

The lectures on Justice proper, the first part of this volume, give Adam Smith a foremost place among the great writers on jurisprudence. There is the same breadth of conception in the treatment of this subject that characterizes the *Wealth of Nations*. Jurisprudence is declared to be "the science which inquires into the general principles which ought to be the foundation of the laws of all nations," and the nature and creation of this science is conceived in relation to the whole course of human development. By relating his work to that of his great predecessors, Grotius, Hobbes, Puffendorf, the Baron de Cocceii, Adam Smith lays upon posterity the duty of examining what he says in connection with the classical development of jurisprudence. And his work bears comparison with those "Cæsars" to whom he has "appealed." What impresses the general student is the way in which Adam Smith puts forward both *authority* and *utility* as the principles "which induce men to enter into a civil society." The phrase "enter into society" indicates precisely the point of view from which he faced the problem of jurisprudence—that of answering Hobbes. Just as Adam Smith's ethical philosophy of the human sentiments places him in one of the many groups of ethical writers who tried to answer the question "Is man naturally selfish or unselfish?" thrust upon ethical science by Hobbes and not solved until well on into the nineteenth century (by Spencer and Leslie Stephen and by the Comtists and Hegelians); so his jural philosophy seems to place him in the group of English writers (Locke, Blackstone) who, out of fear of the revolutionary consequences which seemed to be bound up with Hobbism, sought for principles other than that of a mere contract as the foundation of society. No doubt it is in connection with this general discussion of the philosophy of law and government that we must think of the work of Adam Smith. The scientific value of his exposition of *rights*, of domestic law and private law, must too, it would

seem, be estimated by comparison with what could, or could not, be laid down by way of dogmatic exposition on these topics in his day. We cannot expect a precision in regard to pure scientific jurisprudence which Sir Frederick Pollock informs us did not exist before Holland's *Elements of Jurisprudence*. And the element of Adam Smith's general philosophy of law which strikes the general student as important is just the general sobriety of his philosophy of civil society and the way it has of avoiding the pitfalls of the contract or state-of-nature theory. And then in a genetico-historical account of the different systems of political and social authority he gives us an account, which satisfies at once our reason and our sense for fact, of the general principles of law and order among men.

If these *Lectures* on Justice were delivered about 1762 they must have been prepared some time before Rousseau's *Contrat Social* appeared. Adam Smith here knows nothing of Rousseau's teaching. He says: "The doctrine of an original contract is peculiar to Great Britain." It is enough that another famous British writer, Burke, should have the glory of tearing to shreds the false philosophy of the French version of the contract theory of society. With a Scottish shrewdness of insight, Adam Smith simply sees Hobbes to be untrue, both in conception and in reality, about the foundation of society. There can, as he puts it, be no society without innate and underived authority; and there is submission to law when a contract has never been thought of. "Government takes place where it was never thought of." And in speaking of Puffendorf's attempt to treat of the laws which would exist in a state of nature, Adam Smith says that this "serves no purpose," as "there is no such state existing." He sees, just as Aristotle did, the state, and consequently law, to be a natural and rational evolution of human nature. The sections of the *Lectures* which sketch the operation of the principles of law and government in Europe are, as we have said, at once genetical—explanatory of something that is a logical necessity—and historical. They are historical just as is the sketch (mentioned by Knies and others of the historical school) of the development of different forms of industry in the third book of the *Wealth of Nations*. It is needless, for these general and other reasons, to speak in detail of Smith's exposition of justice. Enough has been said about it and about the *Lectures* in general to show how far Adam Smith was from being a dogmatist, an exponent of some one uncritical and uncriticised view of human economic or

social activity. The man had a complete "social philosophy," if we are obliged to put matters in this way, and these *Lectures* establish the fact that the *Wealth of Nations* was written as illustrative of merely one phase of human activity—not the ultimate and only phase. And the originality of Adam Smith's genius is more apparent after their perusal and after consideration of the facts and considerations they make apparent. What he learned in France was not enough to make him wholly recast what he had evolved as the natural result of the workings of his own independent, and great, original mind along the lines laid down for him largely by his British predecessors.

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*Dictionary of Political Economy.* Edited by R. H. INGLIS PALGRAVE. Vol. II, F—M. New York: The Macmillan Company, 1896. 8vo. pp. xvi+848.

THIS second volume of Mr. Palgrave's dictionary has a mixed quality. There are here and there bits of admirable work by competent authorities: such as "Free Banking" by C. F. Dunbar; the "German School," "Locke," and "Malthus" by J. Bonar; "Mirabeau" by H. Higgs; "Life Insurance" by G. King; "Gilds" by C. Gross; the "Italian School" by Achille Loria. But these are oases in much ordinary writing, and considerable poor work. As instances of defective treatment might be cited the clumsy article on "Free Coinage;" the insular point of view in "Commercial Geography;" the "Greenback;" "Mutual Insurance;" "Intensive Cultivation;" and the quite inadequate article on "Interest," which is only a discussion of Boehm-Bawerk. So much of the writing on important topics fundamental in political economy has been done, not by those most competent, but by unknown young men, that the dictionary lacks essentially the qualities which should make it authoritative. In fact one would go to these articles largely to get expressions of opinion by young and as yet untried men. It may be said that only these persons could be obtained for the largest part of the cyclopædic work; if so, was the scheme worth carrying out?

Good editing, supposedly, would have cut out of a dictionary of political economy such irrelevant topics as "Functions," "International Law," "Jetsam and Flotsam," "Jury," "Charles Kingsley,"